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WASHINGTON STAR (GREEN LINE)  
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## Organizations Rich in Journalistic Tradition United

# Sale of The Star to Time Inc. Completed

Sale of The Washington Star to Time Inc. was formally completed yesterday.

The newspaper's ownership passed to the New York-based publishing firm with the acquisition of Washington Star stock previously held by Joe L. Allbritton. In a brief announcement of the deal's culmination, Time Inc. President James R. Shepley said the transaction has been approved by both boards of directors.

Under terms of the agreement, as announced in principle by the two parties Feb. 3, Time Inc. is to pay Allbritton \$20 million for his equity holdings and assume financial indebtedness of the newspaper estimated at \$3 million.

Time Inc. From taut news report to \$1.25 billion a year. Page A-8.

Allbritton, a Texas financier who had purchased The Star four years ago at a point when its survival was in serious doubt, will continue the affiliation as the paper's publisher and chief executive officer.

**NO OTHER** changes in the editorial or business areas of the newspaper were announced.

In response to questions, a Time Inc. spokesman said that Shepley will succeed Allbritton as board chairman of The Washington Star and that other Time Inc. executives to be elected to the Star board include: Charles B. Bear, group vice president and secretary; Hedley Donovan, Time Inc. editor-in-chief, and Richard B. McKeough, chairman, finance committee and vice president (finance).

In the initial disclosure of plans for the sale Feb. 3, Shepley and Allbritton said that a determination on both sides to assure continued survival of two strong newspaper voices in the nation's capital was a prime motivation for the transaction. Both expressed confidence that it would strengthen the newspaper's capability to serve readers and advertisers more effectively in the future.

While The Star will remain "an independent voice in the Nation's Capital," the Allbritton statement said, Time Inc. would give the newspaper "the publishing, promotional, advertising and editorial strength it must have to compete and grow."

"If my resources made it possible for The Star to survive, Time's would assure that it truly prospered, that it fully served the people of Washington."

The sale brings under one corporate umbrella private business enterprises that — following different paths — are rich in journalistic tradition.

From the origin in the 1920s of the weekly news magazine that bears its name, Time Inc. has become the nation's largest and most influential publisher of magazines: Time, Sports Illustrated, People, Fortune, Money. Among its other diversified business ventures, it is also one of the nation's major producers of books.

**FOR THE STAR**, the transaction marks only the third major change of ownership in a history dating back to 1852. And for fully a century after that beginning, The Star dominated the Washington press scene — its growth and influence paralleling that of the city itself, its identity as the city's major local newspaper firmly established.

But it was in the 1950s that the paper's leadership began eroding. The first — and largest — setback was The Washington Post's 1954 acquisition of a major competitor, The Washington Times-Herald, at that time the city's circulation leader. And under aggressive competitive pressures, the diminishing of Star strength continued, until, by the early '70s, hard-pressed members of the three families which had owned and operated The Star for four generations were actively seeking a buyer. In 1974, Allbritton assumed control through a stock purchase agreement.

In his formal statement to Star readers last month, Allbritton emphasized that substantial progress in management efficiency and editorial rejuvenation already had been made during the four years since The Star was financially "on the ropes."

"ITS LOSSES," he said, "have been reduced from \$1 million a month to something near the break-even point. Most important, it has become a lively, fair, energetic and attractive newspaper — worthy of such a city." His statement added:

"But it has long been clear to me that more was required. If two papers are to survive in Washington — if they are to offer the range and depth that is rightly demanded by this city — both must be backed by resources beyond the reach of a single investor."